



The Exchange: A Utah Solution for Utah Businesses

Offering affordable health insurance benefits has become an increasingly difficult proposition for small businesses. Small businesses generally pay more for their health insurance coverage while having fewer plan options available.

The Utah Health Exchange was created to reverse that equation. The Exchange will help Utah's small businesses control costs while offering expanded health coverage options to their employees.

The Exchange allows Utah businesses to harness the power of defined contribution plans which offer multiple advantages for both employers and their employees.

For employees:

Individual Control and Choice: Employees, not employers, can compare and select the health plan that works best for their individual needs and circumstances via the Exchange.

Pay with Pre-tax Dollars: Employees pay their premium contribution with pre-tax dollars, thus reducing their tax liability. Certain plans available via the Exchange may also allow pre-tax contributions to a Health Savings Account (HSA) which is then individually owned by the employee.

Plan Portability: The Exchange allows for plan portability, meaning that employees can keep their coverage even if they change jobs, providing that both employers participate in a defined contribution plan.

Premium Aggregation: The Exchange allows employees to aggregate premium contributions from multiple sources. The Exchange facilitates paying plan premiums from the defined contribution of the employer, the contribution of the employee, and other possible contributions from a second employer, a spouse's employer, etc.



Please visit **exchange.utah.gov** for more information and to begin the enrollment process for a defined contribution plan

For employers:

Simplified Benefits Management: Defined contribution plans simplify the management of a company's health benefit options. By enrolling in a defined contribution plan via the Exchange, the only decision an employer has to make is how much to contribute towards each employee's health benefit. Employers will no longer be responsible to choose between multiple plans, insurance companies, and provider networks.

Predictable Costs: By electing to make a defined contribution rather than choosing a company-wide health plan, employers can predict and contain health benefit costs from year to year.

Expand Coverage Choices: Enrolling in a defined contribution plan via the Exchange also allows employers to offer greatly expanded health plan options to their employees. Employees will use the Exchange to compare plans and providers and select the option best tailored to their individual needs; no more one-size-fits-all benefits packages.

Offering access to a tailored health benefit will help businesses attract and retain high-quality employees in a competitive marketplace. It allows employers to offer "big company" benefit options regardless of their size.

Preserve Tax Benefits: A defined contribution plan also allows employers to continue to offer the tax benefits of an employer-sponsored plan. Employees can pay their portion of their health premium with pre-tax dollars, which reduces the employee's taxable income and also reduces the employer's FICA obligations.



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